DATA ITEM DESCRIPTION

Note to drafters: If the expected value of any resultant Contract is at or above $20 million for the Initial Term (including GST) and a DIP Plan is required, consult with CASG AIC Division ([aic.delivery@defence.gov.au](mailto:aic.delivery@defence.gov.au)) for the further development of this DID.

1. DID NUMBER: -
2. TITLE: DEFENCE INDUSTRY PARTICIPATION PLAN
3. DESCRIPTION AND INTENDED USE

The Defence Industry Participation (DIP) Plan sets out the Contractor’s plans, processes and responsibilities for satisfying the DIP requirements of the Contract, including describing the management of the DIP program for the period of the Contract.

The Contractor uses the DIP Plan to:

set out the plans, processes, responsibilities and timeframes for the management and delivery of the DIP program;

ensure that all parties (including Subcontractors) undertaking DIP-related activities understand their responsibilities and the time-frames involved, in order to implement a coherent and cohesive DIP program; and

provide assurance to the Commonwealth that the Contractor’s DIP program will satisfy the DIP requirements of the Contract.

The Commonwealth uses the DIP Plan to:

gain assurance that the Contractor’s DIP program will achieve the DIP requirements of the Contract;

provide a basis for monitoring and assessing performance of the DIP program; and

identify Commonwealth involvement in the DIP program.

1. INTER-RELATIONSHIPS

The DIP Plan inter-relates with the following data items, where these data items are required under the Contract:

Services Management Plan (SMP); and

Contract Status Report (CSR).

The DIP Plan inter-relates with the:

DIP program requirements at Attachment J, and

associated financial and delivery information included in Attachment B.

1. APPLICABLE DOCUMENTS

The following documents form a part of this DID to the extent specified herein:

|  |  |
| --- | --- |
| 1. 2019 DPIP | 1. *2019 Defence Policy on Industry Participation* |

1. PREPARATION INSTRUCTIONS
   1. Generic Format and Content

The data item shall be provided in the Contractor’s format and meet the requirements of clause 2.3 of the SOW.

* 1. Specific Content
     1. DIP Program Summary

Note: This section should be no more than two A4 pages.

The DIP Plan shall provide a summary of:

the nature of the Services and the Defence customers and/or capabilities that are supported by the work performed under the Contract;

the Contractor’s overall strategy for satisfying the DIP requirements of the Contract;

in the context of the Services, any future opportunities for participation by Australian Industry (ie, future Subcontracts) in the performance of the Contract (refer to clause 6.2.4); and

the Contractor’s commitments to government industry policies, through existing relationships and any new arrangements required to satisfy the Contract, including:

employing veterans (refer to clause 6.2.5.2); and

the further engagement of Australian Industry, including Small-to-Medium Enterprises (SMEs).

* + 1. DIP Management

The DIP Plan shall:

identify the DIP manager, including name, title, contact details, and position in the organisation, and describe how the scope of the DIP manager’s roles and responsibilities will ensure that the DIP requirements of the Contract can be met; and

describe the organisational arrangements for undertaking the DIP program for the Contract, including the roles of individual business units and Subcontractors, as applicable, and their respective responsibilities in relation to the DIP program.

The DIP Plan shall describe the processes to be used to:

confirm that DIP requirements of the Contract are being met, including the data to be captured and monitored, and the reporting process for each reporting period; and

identify and remediate potential or actual problems with achieving the DIP requirements of the Contract, including:

the triggers to identify problems;

the different processes to be employed when problems are internal to the Contractor or due to a Subcontractor; and

the processes and timeframes to be used to escalate identified problems within the Contractor’s organisation, and to advise the Commonwealth in accordance with clause 4 of the COC.

* + 1. DIP Schedule

The DIP Plan shall include a DIP Schedule that summarises the activities being performed under the Contract in Australia or New Zealand, by each Australian Entity.

The DIP Schedule required by clause 6.2.3.1 shall be in the format defined in Annex A, or as otherwise agreed between the parties.

* + 1. Opportunities for Australian Industry

Note: In the context of the Services, this element of the DIP Plan is to consider the source of any future Subcontracts for goods and services that are yet to be finalised. For clarity, the opportunities should not include any goods / services for which a binding commitment with an Australian Industry supplier has already been made (and where that supplier is listed in Annex A).

The DIP Plan shall identifies those elements of the Contract (if any) for which an exact source of supply for goods and services is yet to be finalised, including:

a description of the specific goods and services for which the source of supply has not yet been finalised;

whether or not the Contractor considers that opportunities exist for Australian Industry to provide those goods and/or services;

if the Contractor considers that opportunities exist for Australian Industry, a brief description of those opportunities, including:

any Australian Entities that the Contractor has already identified as potentially suitable suppliers, and whether they are SMEs;

the likely timings associated with each opportunity; and

if the Contractor plans to compete the opportunity with overseas companies; and

if the Contractor considers that opportunities for Australian Industry do not exist for the particular goods and/or services, the rationale for that assessment.

* + 1. Contract Market Testing / Subcontract Establishment

Note: This clause requires consideration of industry associations, supplier advocates, professional networks, the Office of Defence Industry Support (ODIS), or other forms of advertising / promotion used to publicise opportunities for Australian Industry.

The DIP Plan shall describe the processes to be used by the Contractor for industry engagement, market testing and Subcontract establishment, particularly in relation to the opportunities identified in response to clause 6.2.4, including processes for, as applicable:

scanning Australian Industry to identify potential suppliers, including the timeframes for these activities;

advising Australian Industry of opportunities related to the Contract, such as advertising through industry associations, forums and/or the Contractor’s website;

establishing Subcontracts with Australian Industry, including:

a description of how procurement activities will be structured and the methods to be employed (eg, use of selection criteria) to maximise opportunities for competitive businesses in Australian Industry to participate in the Contract;

a description of how any commercial requirements and constraints will be addressed, including in relation to Intellectual Property (IP), security, and export controls, to enable the widest possible market engagement; and

any specific provisions, or assistance, that the Contractor will provide in order to enable SMEs to compete for and undertake work in relation to the Contract.

Note: Refer to <https://www.veteransemployment.gov.au/> regarding the Prime Minister’s National Veterans Employment Program.

The DIP Plan shall describe the Contractor’s commitments to employ veterans (previous members of the Australian Defence Force), including through suppliers that employ veterans, as part of delivering the Contract requirements.

* + 1. Contractor and Subcontractor Activities in Australia and New Zealand

Note: The intent here is for the DIP Plan to address the full scope of Contract activities that directly contribute to DIP Activity Value and, if the Contractor is an overseas entity, those activities in support of ANZ Subcontractors that will enable DIP Activity Value (eg, on-site customer support for Defence). The response should present a narrative for DIP Activity Value that is consistent with Annex A.

For those Contractor’s and *relevant Subcontractors’* activities contributing to DIP Activity Value, the DIP Plan shall:

provide a breakdown that clearly describes the elements of work being conducted in ANZ and overseas (by country), separately identifying the activities conducted by the Contractor and each *relevant Subcontractor*;

identify any activities performed by the Contractor, and any *relevant Subcontractors*, to provide direct support to other Subcontractors in ANZ, including:

the activities to be performed by the supported Subcontractor;

whether the supported Subcontractor is an SME; and

the type of support provided to the supported Subcontractor (for example; the provision of technical assistance, training, equipment, and/or the secondment of Contractor personnel to enable skills transfer).

Where the Contractor’s and *relevant* *Subcontractor’s* activities contributing to DIP Activity Value are facilitated by technology transfer (or similar assistance) from another company (eg, an OEM under a Subcontract), the DIP Plan shall describe the specific commitments of the other company(ies) to enable this work to be undertaken in ANZ, including:

details in relation to transfer of technology, TD/IP, know-how and know-why; and

the mechanisms (eg, export approvals) and timeframes for this assistance.

For the purposes of this clause 6.2.6, a ‘***relevant Subcontractor***’ has a Subcontract where:

the scope is defined for the specific requirements of the Contract, or otherwise relies on the unique or bespoke goods and services of that Subcontractor (ie, excludes ‘trade accounts’ and pre-existing arrangements for generic goods and services); and

the DIP Activity Value of the Subcontract has not been determined by a deeming rate, as identified in the notes for Table A-1 in Annex A.

**Annexes:**

1. Defence Industry Participation Schedule

Defence Industry Participation Schedule

Table A-1: Defence Industry Participation Schedule

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Number | DIP Activity Description | Company Name and ACN/ABN/NZBN | DIP Activity Value | Location (including  Postcode) | SME  (Y/N) | Local Business  (Y/N and  Brief Justification) | Veterans (Y/N) |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1. 01 |  |  |  |  |  |  |  |
| 1. 02 |  |  |  |  |  |  |  |
| 1. 03 |  |  |  |  |  |  |  |

Notes for Table A-1: In preparing the DIP Schedule, the scope of work should be divided into separate lines to describe each activity. Table details:

1. Identification number for each entry in the DIP Schedule.
2. A description of the activity, related to the required Services to be performed by Australian Industry. A separate DIP activity description (and line in the table) is required for each work package and company.
3. Name of the Australian Entity (ie, Contractor or Subcontractor in Australia and New Zealand) undertaking the activity (‘various’ is not acceptable). Include the Australian Business Number (ABN) or Australian Company Number (ACN), or the New Zealand Business Number (NZBN), as applicable.
4. The planned expenditure with Australian Industry for the DIP Activity (excluding Task-Priced Services), over the Term of the Contract. The DIP activity value is to be based upon the combined value of all the cost elements associated with that DIP activity. The cost elements include any labour, materials, other direct costs, Subcontract prices, overheads and profits associated with the DIP activity. Subcontract prices under $1m (inclusive of GST), unless the tenderer chooses to develop a more detailed cost-breakdown, may be deemed as follows:

* ***for the hire of personnel within ANZ: 100% DIP Activity Value;***
* ***for the purchase / licensing of IT equipment and packaged software used within ANZ: 30% DIP Activity Value; and***

Note to drafters: The following dot point may be amended for the nature of the draft Contract.

* ***for all other Subcontracts with Subcontractors located within ANZ: 50% DIP Activity Value.***

1. Set out the location (including the postcode) where the majority of the work for the identified activity will be performed.
2. Set out whether the entity performing the activity is a Small to Medium Enterprise.
3. Identify if the entity is a ‘Local Business’ as defined in the Glossary, and provide a brief justification for this designation.
4. Veterans. Has the organisation signed the Veterans Employment Commitment (yes/no)? (refer: [veteransemployment.gov.au](https://www.veteransemployment.gov.au/)).